

1.2 Trends and Developments

Intermodal transportation of containers/trailers will continue to be the principal area of growth for the railroad traffic base. In addition to CSX intermodal terminals at Indianapolis and Evansville, and NS Triple Crown Services at Ft. Wayne, intermodal shippers in certain areas of Indiana will continue to rely significantly on railroad intermodal terminals in adjacent states. These terminals include Chicago, Louisville, Cincinnati, and Toledo. Hoosier Lift in Remington, IN, near I-65, on the Toledo, Peoria, and Western Railway is expected to remain a relatively small part of the intermodal market.

Dry bulk commodities will continue to shift from cars with a capacity of 263,000 lbs. to rail cars with a capacity of 286,000 lbs. gross weight on rail (GWR). Some short line mileage could be threatened with abandonment as a result, particularly route mileage serving small volume agribusinesses, if the capital funds for the necessary line upgrades cannot be obtained. If the trend toward unit trains at high volume, high-speed grain terminals in the upper Great Plains states spreads to Illinois and Indiana, significant abandonments of short line mileage dependent on grain traffic may result. While such terminals can double the productivity of covered hopper railroad cars and locomotives and provide shippers with lower rail rates, they can also result in heavier trucks traveling greater distances on local roads.

With the exception of the future abandonment of some stub-end, very low traffic density mileage in Indiana, the rationalization of the rail network in Indiana that began in the 1970s is accomplished. In the year 2000, less than one route-mile was abandoned. In the year 2001, 10.8 route-miles were abandoned. However, some of the earlier abandonments, such as the former Big Four route of the New York Central System between Chicago and Indianapolis, now deprive Indiana of valuable network links, as the need for rail capacity for high-quality intermodal and passenger service has increased. The present NS route between Chicago and Cincinnati, via Fort Wayne and Muncie, is a predominantly single-track route, nearly 40 miles longer than the former Big Four route via Indianapolis.

Without a restructuring of intermodal rail service offerings, it is unlikely that there will be appreciable diversion of truck traffic from Indiana highways to rail. As long as rail carriers perceive that handling intermodal traffic with a line haul of less than 400 to 500 miles is inherently unprofitable, diversions to rail from the largest trucking segment will be inconsequential. Thus markets such as Gary/Cincinnati, Muncie/Detroit, and Indianapolis/Chicago will remain truck-dominated, since railroads estimate that too little line-haul revenue is available relative to terminal and drayage expenses for truck pick-up and delivery at the shippers' facilities.

Nevertheless, NS does offer its bi-modal trailer Triple Crown Services between Fort Wayne and St. Louis, MO, a distance of about 340 miles. NS does not, however, offer Triple Crown Services between Fort Wayne and its terminals at Chicago, Detroit, or Toronto. Another technology, known as Expressway, is utilized by Canadian Pacific Railway (CPR) for intermodal service between Toronto, ON, and Montreal, QC, a line-haul of about 330 miles. CPR offers the service with reserved space, twice each day, to common and private carriers. CPR's Expressway service does not require reinforced intermodal trailers. Certain short haul markets in Indiana may be attractive for non-conventional intermodal, such as Expressway and RoadRailer®. Such markets typically require several large base load shippers and a relatively balanced traffic flow between terminals, circumstances that are usually not readily available.

Rail routes, either existing or abandoned, selected for high-speed passenger service present an opportunity for expanded, high-quality intermodal freight service.

2.0 CURRENT RAIL SYSTEM IN INDIANA

The current rail system in Indiana is structured to primarily handle east-west traffic flows across northern Indiana to and from Chicago, across central Indiana through Indianapolis, and across

southern Indiana between Louisville and St. Louis. These routes are primarily double-track. The north-south routes through Evansville (CSXT) and Muncie (NS), while carrying substantial traffic, are primarily single-track. The east-west routes carry nearly four times the traffic volume of the north-south routes.

CSXT has the two secondary main lines with comparatively modest traffic levels. These are both east-west lines, one in the north, the other in the south. The CSXT route between Fort Wayne and Chicago carries about 2 million gross tons annually. CSXT's line segment between Lawrenceburg and Vincennes on the Cincinnati/St. Louis route carries about 17 million gross tons on the west end between Mitchell and Vincennes. This is primarily traffic between Louisville and Chicago/St. Louis. East of Mitchell, the traffic is about 9 million gross tons annually. Figure 2-1 presents an overall picture of Indiana's railroad traffic density.

2.1 Indiana Regions, Network and Traffic Base

As stated above, rail traffic flows primarily east-west on the Indiana rail network. There are effectively seven east-west rail corridors in Indiana. Four corridors are in northern Indiana, one (CSXT) in central, and two in southern Indiana. Table 2-1 indicates these corridors and route miles within Indiana, as well as the 1999 gross ton-mile density of each, and certain capacity-related data.

Table 2-1 Indiana East-West Rail Corridors

RR	Line Segment	IN Miles	GTM's (million)	Main Tracks	Train Control	MAS Freight	ATR Clearance
CSXT	Willard, OH and Chicago, IL	145	85	2	TCS	60	HCDS
CSXT	Muncie, Indianapolis and Terre Haute	164	30	2	TCS	60	HCDS
CSXT	Cincinnati/ Louisville and St. Louis via Mitchell	105/63/63	8/10/17	1	DTC/DTC/ TCS	60/40/60	HCDS
NS	Toledo, Elkhart and Chicago, IL	153	130	2-3	TCS	50	HCDS
NS	Fort Wayne, Claypool and Chicago, IL	151	44	1	TCS	60	HCDS
NS	Butler, Fort Wayne, Lafayette and St. Louis/Kansas City, MO	185	32	1	TCS	60/50	HCDS
NS	Louisville, KY and St. Louis, MO	119	23	1	ABS-TO	45/50	HCDS

Abbreviations: GTM-gross ton miles per mile, TCS-Traffic Control System, DTC-Direct Train Control by dispatcher, ABS-Automatic Block System, MAS-maximum authorized speed in mph, ATR-above the rail, HCDS-high cube double stack (9'6") containers.

CSXT's Fort Wayne/Chicago line acquired in the Conrail transaction is used primarily for local traffic, as well as to provide relief capacity when necessary.

The three principal north-south rail lines in Indiana are CSXT's Chicago and southeast service route and Norfolk Southern's Fort Wayne/Cincinnati and Elkhart/Cincinnati routes, both via Muncie. Table 2-2 indicates these corridors and route miles within Indiana, as well as the 1999 gross ton-mile density and certain capacity-related data.

Figure 2-1 Railroad Traffic Density in Indiana

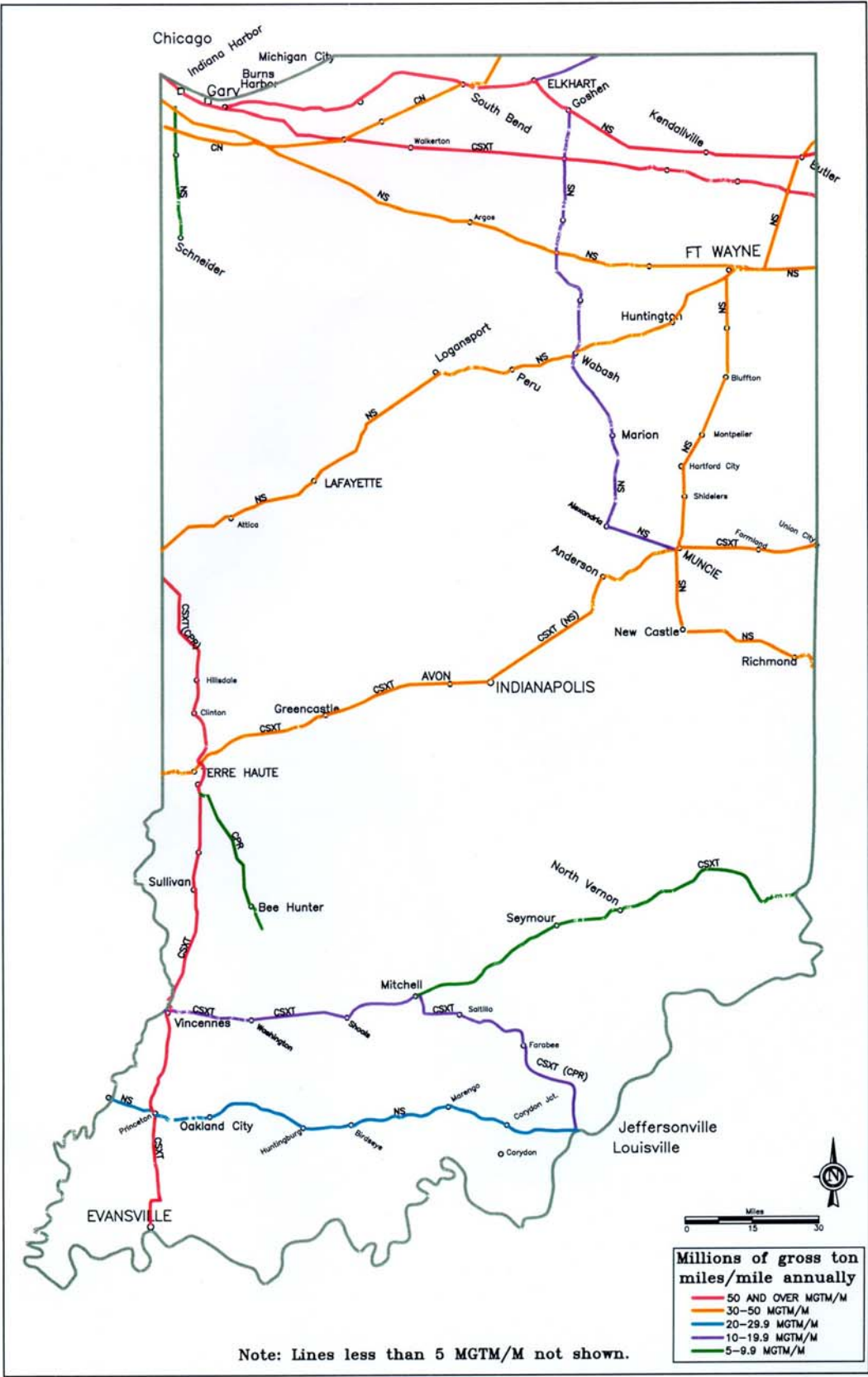


Table 2-2 Indiana North-South Rail Corridors

RR	Line Segment	IN Miles	GTM's millions	Main Tracks	Train Control	MAS Freight	ATR Clearance
CSXT	Chicago and Evansville	152	50	1	TCS	60	HCDS
NS	Elkhart and Cincinnati via Alexandria and Muncie	164	11	1	TCS	45-50	HCDS
NS	Fort Wayne and Cincinnati via Bluffton and Muncie	97	30	1	TCS	60	HCDS

For abbreviations, see preceding Table

Network Vertical Clearances

The vertical clearance on the six east-west and the three north-south routes, plus the Canadian National, all accommodate high-cube double-stack containers.

Freight Traffic

In 1999, 58.7 million tons of freight traffic originated in Indiana, of which 41 percent was coal. In 1999, tons terminated totaled 69.1 million, of which 65 percent was coal. Since the addition of originated tonnage and terminated tonnage would double-count tonnage that both originated and terminated in Indiana, it is necessary to subtract intrastate rail tonnage, which totaled 27.6 million tons in 1999. The result is that 100.1 million tons either originated, terminated, or both in Indiana in 1999. Of the Indiana intrastate rail tonnage, 75 percent was coal traffic. Freight traffic originating and terminating in Indiana is indicated in Table 2-3.

Table 2-3 Indiana Rail Freight Commodities in 1999

Tons Originated			(Tons in Millions)			Tons Terminated		
Coal	24.2	41 percent	Coal	42.5	61 percent	Coal	42.5	61 percent
Primary Metal Products	11.6	20 percent	Primary Metal Products	8.1	12 percent	Primary Metal Products	8.1	12 percent
Farm Products	9.9	17 percent	Chemicals	4.7	7 percent	Chemicals	4.7	7 percent
Food Products	4.2	7 percent	Waste and Scrap	4.2	6 percent	Waste and Scrap	4.2	6 percent
Waste and Scrap	2.5	4 percent	Petroleum	2.3	3 percent	Petroleum	2.3	3 percent
Automotive Equipment/Parts	1.4	2 percent	Lumber / Wood Products	1.2	2 percent	Lumber / Wood Products	1.2	2 percent
All other	4.9	9 percent	All other	6.1	9 percent	All other	6.1	9 percent
Total	58.7	100 percent	Total	69.1	100 percent	Total	69.1	100 percent

Source: Association of American Railroads

According to the Association of American Railroads, 5.7 million carloads were handled through Indiana, including originating or terminating traffic, intrastate, and overhead/bridge traffic. After subtracting Indiana origin and destination traffic, which totaled 1.2 million carloads, a balance of 4.5 million carloads, or 79 percent, passed through Indiana, having origins and destinations outside of the state. Thus, approximately 21 percent of Indiana rail traffic has an origin, termination, or both in Indiana. Total Indiana rail traffic since 1996 is shown in Table 2-4.

Table 2-4 Indiana Rail Freight Traffic, 1996–1999

	1996	1997	1998	1999
Carloads (millions)	5.1	5.3	5.4	5.7
Net Tons (millions)	239.1	251.4	261.2	266.4

Source: Association of American Railroads

Market shares for individual railroad companies' originating and terminating traffic is indicated in Table 2-5. Relative to the few route miles owned in Indiana, the significant market share of Soo Line/Canadian Pacific Railway is accounted for by its coal mine access in Greene County. This coal traffic is very short haul intrastate.

Table 2-5 Estimated Indiana Market Shares by Railroad Company-1999

Railroad	Carloads Originating		Carloads Terminating	
	Percent	Number	Percent	Number
Norfolk Southern	42	301,547	36	277,521
CSXT	26	186,681	23	180,436
Soo Line/Canadian Pacific	17	123,575	10	76,535
Elgin, Joliet & Eastern	9	61,900	13	101,740
Indiana Rail Road	2	16,468	4	27,000
Chicago, SouthShore & S.B.	.8	6,036	5	36,445
Others	3	23,808	9	71,411
Total	100	720,015	100	771,088

Source: U.S. STB Rail Waybill Sample

Canadian National had an inconsequential number of carloads either originate or terminate in Indiana, and those are included in the above data as part of "Others."

Included in the above traffic data are nearly 50,000 intermodal trailers/containers, the majority of which is traffic handled by CSXT at its two intermodal terminals in Indiana, at Indianapolis and Evansville.

2.1.1.1 Coal

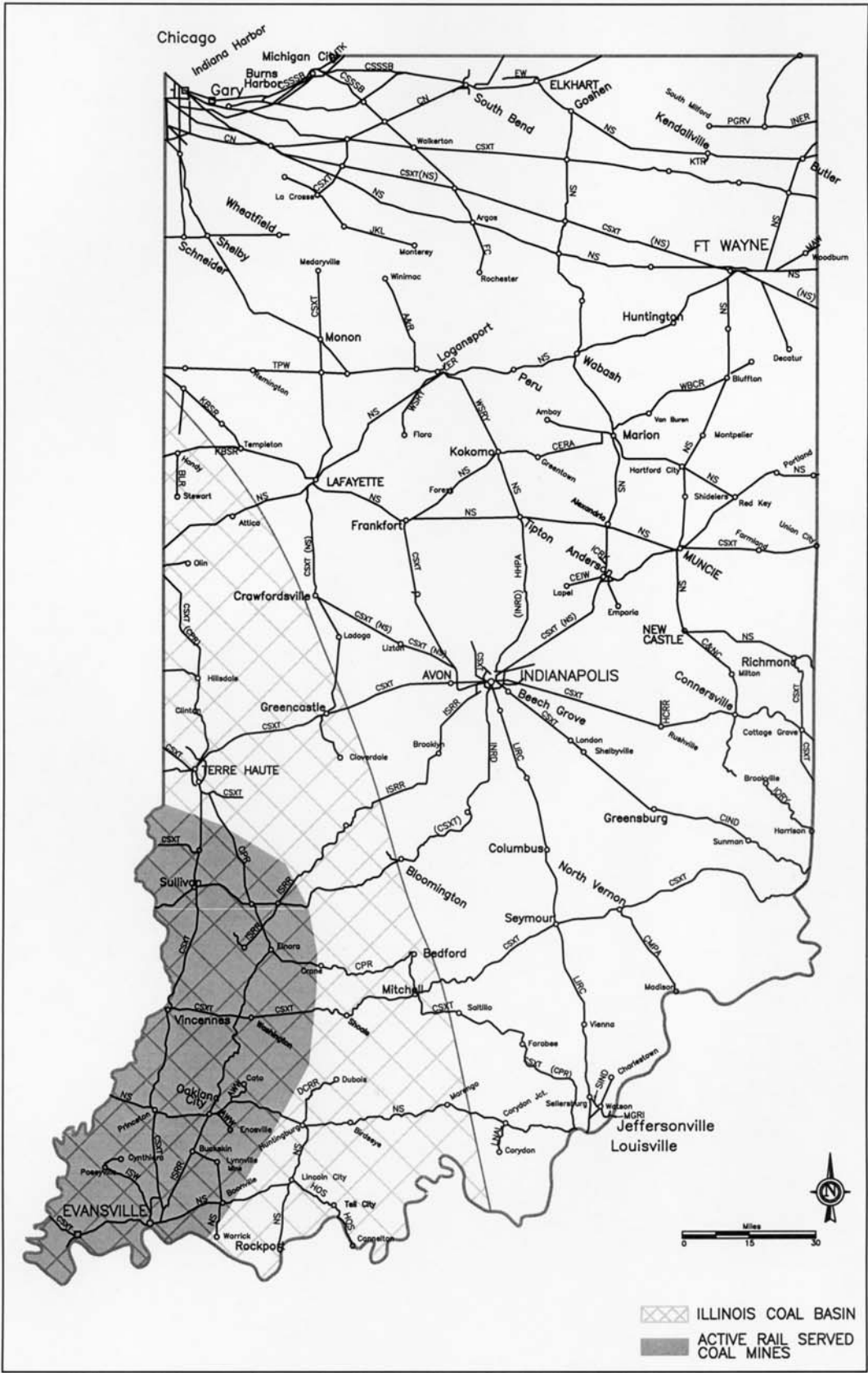
Coal, as noted, is a critical element in the rail traffic base in Indiana. According to the U.S. Department of Energy's Energy Information Administration, 36.8 million tons of coal originated in Indiana in 1998, primarily from surface-mines. Two-thirds of this tonnage originated by rail, 90 percent of which terminated in Indiana, almost exclusively at electric utilities. Thus, 60 percent of all coal production in Indiana, for use by Indiana utilities, is moved by rail.

Coal production in Indiana has increased at an average annual rate of 4.4 percent in the period 1994-1998, while production in the adjacent states of Illinois and Kentucky has declined 6.9 and 1.8 percent, respectively. No Indiana coal was exported in 1998, and negligible amounts were exported in prior years. Figure 2-2 presents Indiana's segment of the Illinois Basin, as well as that portion of the Illinois Basin in Indiana with active rail-served mining operations.

Coal produced in Indiana meets about 56 percent of the demand for coal in the state. Other major sources for Indiana are mines in Wyoming's Powder River Basin, West Virginia, Illinois, Kentucky and Virginia, in order of magnitude, totaling about 32.4 million tons. About 60 percent of out-of-state coal (19 million tons) is delivered by rail in Indiana. Less than half of the 17.3 million tons of Wyoming coal arrives in Indiana by rail. The balance of Wyoming coal is transloaded for river delivery in Indiana.

Approximately 85 percent of coal consumption in Indiana is by electric utilities. Indiana, along with Texas and Ohio, is one of only three states with coal-fired electric utility capacity exceeding 15,000 megawatts. The largest coal consumers (those that consume more than 4 million tons) in Indiana by rank are PSI Energy, Inc., Indiana Michigan Power Company, Northern Indiana Public Service Company, and Indiana-Kentucky Electric Corporation. In Indiana, there are 28 coal-burning utility plants, not all of which are served by rail. About 62 percent of electric utility coal is delivered by rail, 21 percent by river, 15 percent by truck, and 2 percent by conveyor.

Figure 2-2 Coal Mining and Rail Service



Other major coal consumers in Indiana are steel, aluminum, cement and food producers.

In 1999, rail originations of coal in Indiana totaled 241,955 carloads, with mines located on the Soo Line/Canadian Pacific Railway line segment between Fayette and Bedford accounting for 52 percent of the total. Rail terminations of coal in Indiana totaled 385,558 carloads, with Norfolk Southern terminating the largest volume. The market shares in Indiana for individual railroads are indicated in Table 2-6.

Table 2-6 Coal Originations and Terminations in Indiana by Rail Carrier

Year 1999

Railroad	Carloads Originating		Carloads Terminating	
	Number	Percent	Number	Percent
Soo Line/Canadian Pacific	124,370	52	68,239	18
Norfolk Southern	64,832	27	129,360	34
CSXT	30,100	12	59,899	15
Indiana Rail Road	16,468	7	26,600	7
Elgin, Joliet & Eastern	- 0 -	- 0 -	65,600	17
Chicago, SouthShore & S.B.	- 0 -	- 0 -	35,590	9
Others	6,185	2	- 0 -	- 0 -
Total	241,955	100	385,558	100

Source: U.S. STB Rail Waybill Sample

About 44 percent of coal terminating in Indiana originated in other states, Wyoming being the largest out-of-state source. Coal represents nearly 80 percent of all Indiana intrastate rail traffic, based on the Rail Waybill Sample data. Recently, Indiana Southern Railroad (ISRR) commenced coal movements under a new transportation agreement with Black Beauty Coal Company that will divert at least 8,000 carloads per year from truck to rail for a period of at least five years. Other principal intrastate rail traffic included metals and metal products, scrap material, automotive parts, and coke.

2.1.1.2 Grain

Rail is an integral component in Indiana's \$5 billion agribusiness industry. After coal, the second largest rail commodity group originating in Indiana is farm products. In 1999, nearly 100,000 carloads of grain products originated in Indiana. In 2001, Indiana produced nearly 1.2 billion bushels of agricultural products including corn, soybeans, winter wheat and oats. Corn is the largest single agricultural commodity, with 885 million bushels produced in 2002, a 9 percent increase over the 2000 level. In the same year, the 10 highest corn-growing counties produced 190 million bushels. Figure 2-3 presents Indiana's rail network in relation to:

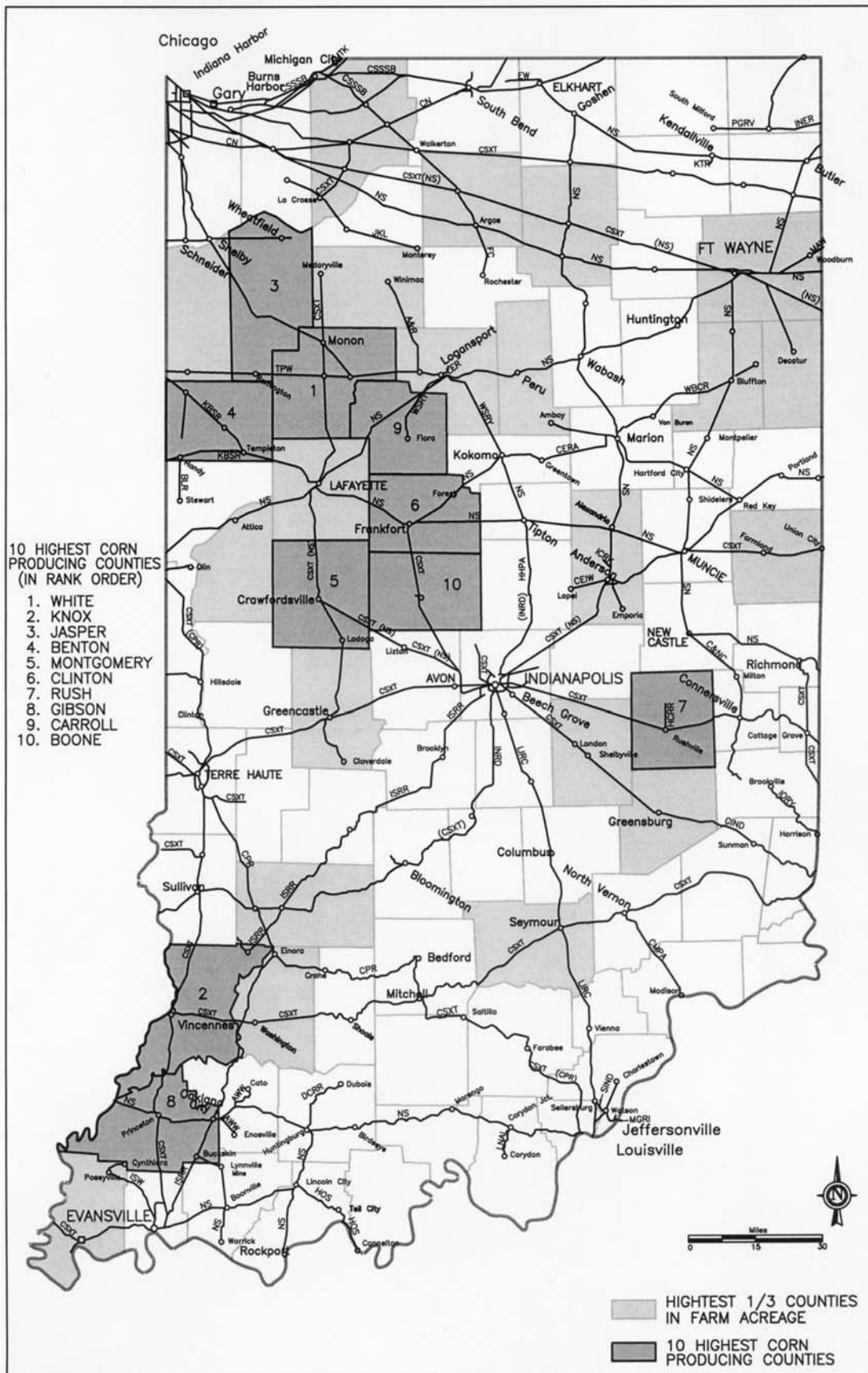
- the highest one-third of the counties in acreage devoted to farms, and
- the ten highest corn-producing counties.

It should be noted that the 10 highest corn-producing counties are included in the group with the highest farm acreage.

The principal destination states for agricultural products were Georgia (29,568 carloads), North Carolina (22,887), Alabama (10,882), Tennessee (10,024), and Illinois (7,050). Nearly 5,000 carloads of grain products were shipped intrastate. Norfolk Southern originated 5.3 million tons of grain at 65 stations. CSXT originated 3.7 million tons at 43 stations.

A significant portion of grain originations by rail in Indiana are by short lines. Many short line railroads predominantly serve rural areas, and 15 counties are served exclusively by short lines. Approximately half of short lines are heavily dependent on grain loadings for their annual operating revenues. These "grain" short lines, representing about 600 route miles in Indiana, are an important element in the grain marketing system by functioning as a gathering network for the Class I line haul railroads. Short lines also reduce the need for trucking grain on the state's aging county road network to more distant rail loading points. Efficient, low-cost transportation is an essential ingredient in the highly competitive grain market where unit margins are very small.

Figure 2-3 Grain Production and Rail Service



2.1.2 Regional and Short Line Railroads

Utilizing the U.S. Surface Transportation Board's classification system for designating Class II and Class III freight railroads, there are 37 common carrier railroad companies operating in Indiana, in addition to the four Class I railroads. Class III railroads are those with revenues less than \$20.7 million. Class II railroads are those with revenues less than \$258.5 million, but more than the \$20.7 million standard for Class III railroads. Only two of the 37 railroads are in the Class II category, the Indiana Harbor Belt Railroad (IHB) and the Elgin, Joliet & Eastern Railway (EJE). Together, these two railroads operate only 64 route miles in Indiana, equating to five percent of the state's non-Class I route mileage of 1,229 miles. However, these two railroad companies with 5 percent of mileage account for nearly 65 percent of carloads handled by the Class II and Class III railroads.

Three Indiana railroads in the Class III category individually operate over 100 route miles. These three railroads are the Indiana Southern (175 miles), The Indiana Rail Road (155 miles), and the Louisville & Indiana (110 miles). Table 2-7 presents selected Class II and III railroad data. More detailed data is available in Appendices B, C and D.

Table 2-7 Indiana Regional and Short Line Railroads

Railroad	Route Miles	Carloads Handled Number	percent Total	Carloads Per Mile	Principal Commodities
Indiana Harbor Belt	26.5	443,344	52.0	16,730	Steel, coal, food products
Elgin, Joliet & Eastern	37.0	142,921	17.0	3,863	Steel, coal
The Indiana Rail Road	155.0	68,416	8.0	441	Coal, petroleum
Chi, SouthShore & S.B.	52.0	58,597	7.0	1,127	Coal, Steel
Indiana Southern	175.0	44,948	5.0	257	Coal, grain, chemicals
Algers, Winslow & West.	24.4	21,260	2.5	871	Coal, railroad ties
Louisville & Indiana	110.0	14,575	1.7	133	Fertilizer, grain, cement
Toledo, Peoria & Western	55.0	9,328	1.1	170	Grain, aggregates, fertilizer
Central RR of Indianapolis	45.0	7,901	0.9	176	Grain, non-met minerals
All others – 28 railroads	589.0	43,215	5.0	73	Grain, non-met minerals
Total	1,268.9	854,505	100.2		

Source: Annual Reports to INDOT

The railroad companies listed in Table 2-7, constitute 55 percent of total regional and short line route miles and handle 95 percent of total carloads handled by Class II and Class III railroads. Conversely, 45 percent of short line route miles handle 5 percent of total regional and short line carloads.

2.1.2.1 Rail Market Share

According to the U.S. DOT's Bureau of Transportation Statistics, in 1997 Indiana originated, by all transportation modes, 338.3 million tons of commodities and terminated 375.5 million tons. Of the originating tonnage, 65 percent also terminated in Indiana. Ten states originated more tonnage than Indiana. The top three were Texas, California, and Illinois.

The majority of tonnage originating in Indiana was destined to the four states bordering Indiana: Illinois, Ohio, Kentucky, and Michigan (listed by order of tonnage received). Two-thirds of interstate tonnage terminating in Indiana originated, by order of volume, in Illinois, Michigan, Ohio, and Louisiana.

In 1997, the rail mode represented 17.6 percent of tonnage originating in Indiana, an increase of 2.4 percentage points over the previous commodity flow census in 1993. In terms of dollar value of the commodities originating in Indiana, rail represented 5.6 percent of total value, reflecting the low value of bulk commodities handled by rail.

Table 2-8 indicates the market share, by mode, for traffic originating in Indiana for the years 1993 and 1997.

Table 2-8 Surface Transportation Mode Market Share for Traffic Originating in Indiana
(Years 1997 and 1993)

Transportation Mode	Tons (percent)	
	1993	1997
Truck	74.1	74.4
Railroad	15.2	17.6
Water	4.3	2.4
Pipeline	2.8	1.4
Rail/Truck Intermodal	0.2	-- ^a
Other and unknown	3.4	4.2
Total	100.0	100.0

Source: Commodity Flow Survey, 1997 Economic Census, Dec. 9, 1999.

^a Data do not meet U.S. DOT publication standards because of high sampling variability.

On the basis of ton-miles, the rail market share was 33 percent in 1997 as a result of the relatively high length of haul for rail traffic, and despite the short-haul characteristic of much of the coal traffic originated by rail in Indiana.

2.2 Railroad Profiles

2.2.1 Class I Railroads

CSX Transportation, Inc.

500 Water Street
Jacksonville, FL 32202
(904) 359-3100

CSX Transportation, Inc. (CSXT) operates 23,000 route miles, of which 1,935 route miles (8.4 percent) are in Indiana. CSXT serves most major population centers east of the Mississippi River, including 70 ocean, river, and lake ports, more than any other North American railroad. The CSXT network serves 45 automobile distribution centers; 44 intermodal container/trailer facilities, including two in Indiana, at Indianapolis and Evansville; and 102 bulk transfer sites, including six in Indiana at East Chicago, Evansville, Indianapolis, Jeffersonville, Lafayette, and Terre Haute. Figure 2-4 presents the CSXT railroad network in Indiana.

Organizationally, CSXT service in Indiana is operated by its Chicago, Nashville, Louisville, and Great Lakes divisions. The Nashville Division, headquartered in Nashville, TN, maintains operating offices in Evansville, Terre Haute, and Vincennes. The Great Lakes Division's Indianapolis Line has operating offices at Anderson, Avon (Big Four) and Hawthorne yards in Indianapolis. The Great Lakes Division is headquartered at Strongsville, OH, near Cleveland. The Chicago Division includes lines between Chicago and Garrett, Fort Wayne, and Lafayette, IN. The Louisville Division includes the Cincinnati to Indianapolis and St. Louis, as well as the Louisville line. There are 2,035 CSXT employees who are residents of Indiana.

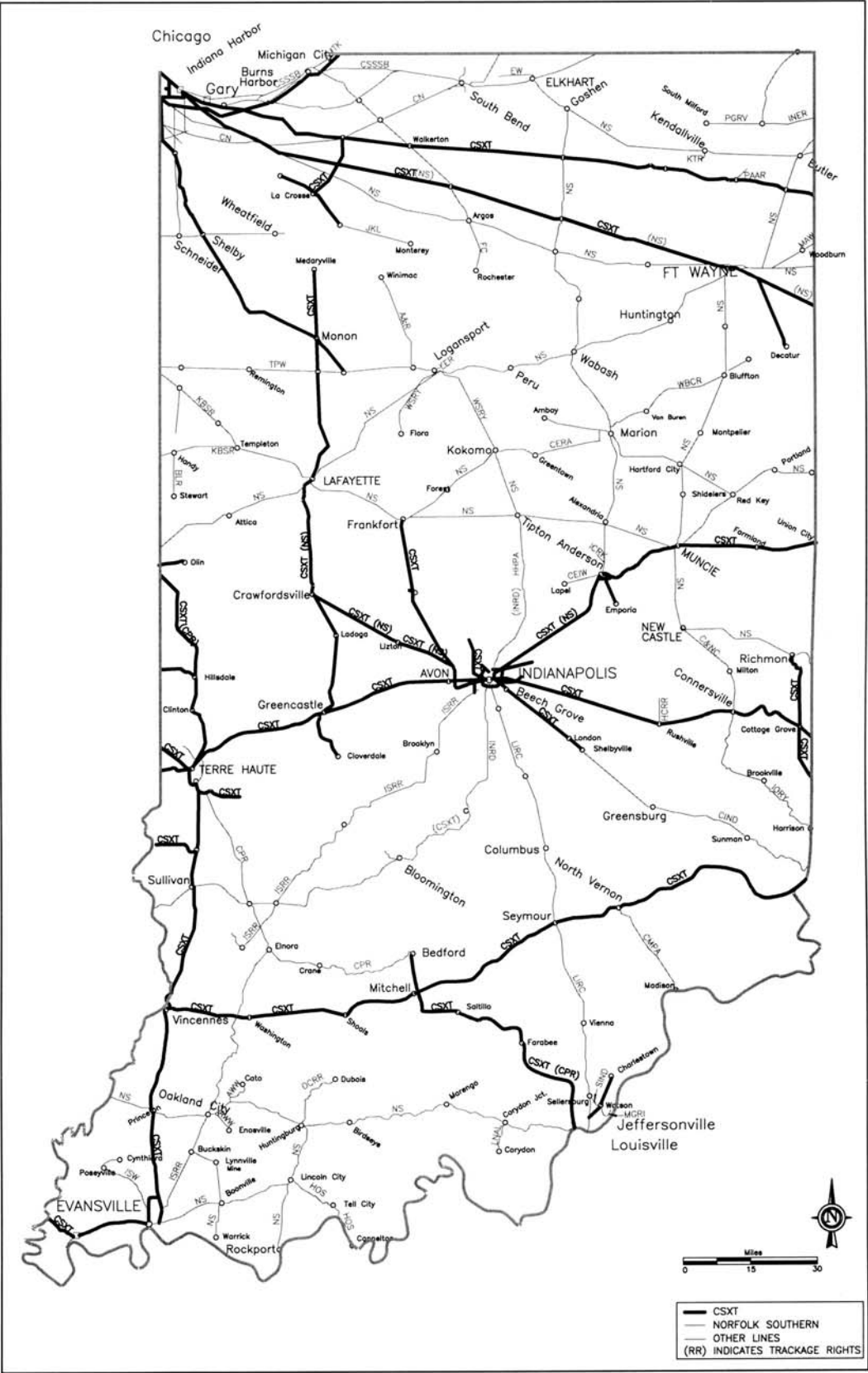
In the year 2000, the first full year of integrated Conrail operations, CSXT's systemwide revenues were \$6.1 billion, generated by the transport of 5.3 million carloads. This revenue was composed of 58 percent merchandise; 27 percent coal, coke, and ore; 14 percent automotive; and 1 percent miscellaneous revenues. In Indiana, CSXT has an approximately 25 percent market share of rail traffic originated and terminated.

CSXT connects with 21 of 37 Class II and III railroads in Indiana which account for 98 percent of traffic handled by Class II and III railroads in Indiana.

Norfolk Southern Railway

Three Commercial Place
Norfolk, VA 23510
(757) 629-2600

Figure 2-4 CSXT in Indiana



Norfolk Southern Railway (NS) operates 21,800 route miles, of which 1,569 route miles (7.2 percent) are in Indiana. NS operates in 22 states and the Province of Ontario, Canada. It employs 2,318 people in Indiana.

NS owns Triple Crown Services (TCS), which offers door-to-door intermodal service, utilizing its 5,500 owned RoadRailer® domestic containers, in NS's major traffic corridors. Fort Wayne, IN, is the headquarters of TCS and the principal hub of this network, which operates dedicated RoadRailer® trains, purchasing most of its rail transportation service (locomotives and train crews) from NS. Figure 2-5 presents the NS railroad network in Indiana.

Systemwide, NS operates 38 automotive distribution facilities, including two in Indiana at Elkhart and Roanoke; 53 intermodal container/trailer facilities (excluding nine Triple Crown Services facilities); and 174 bulk transfer sites, including nine in Indiana at Delphi, Dunkirk, Goshen, Hammond, Indianapolis (INRD), Logansport, Poneto (Wells County), Waterloo, and Whiting.

Organizationally, NS service in Indiana is operated by three divisions. The Dearborn Division, headquartered in Dearborn, MI, provides service via the Elkhart classification yard. The Lake Division, headquartered in Fort Wayne, provides service via Fort Wayne. The Illinois Division, headquartered in Decatur, IL, provides services west of Peru and Frankfort, and in southern Indiana on the Louisville–St. Louis line segment.

In the year 2000, NS had systemwide railway operating revenues of \$6.2 billion, generated by 6.8 million carloads and containers. This revenue was composed of 62 percent general merchandise, 23 percent coal, and 15 percent automotive traffic. NS has the largest share of the rail market in Indiana, originating 42 percent of carloads and terminating 36 percent.

NS connects with 28 of 37 Class II and III railroads in Indiana which account for 99 percent of traffic handled by these railroads in Indiana.

Soo Line/Canadian Pacific Railway

401 9th Avenue S.W.

Calgary, Alberta, Canada T2P 4Z4

(403) 319-7000

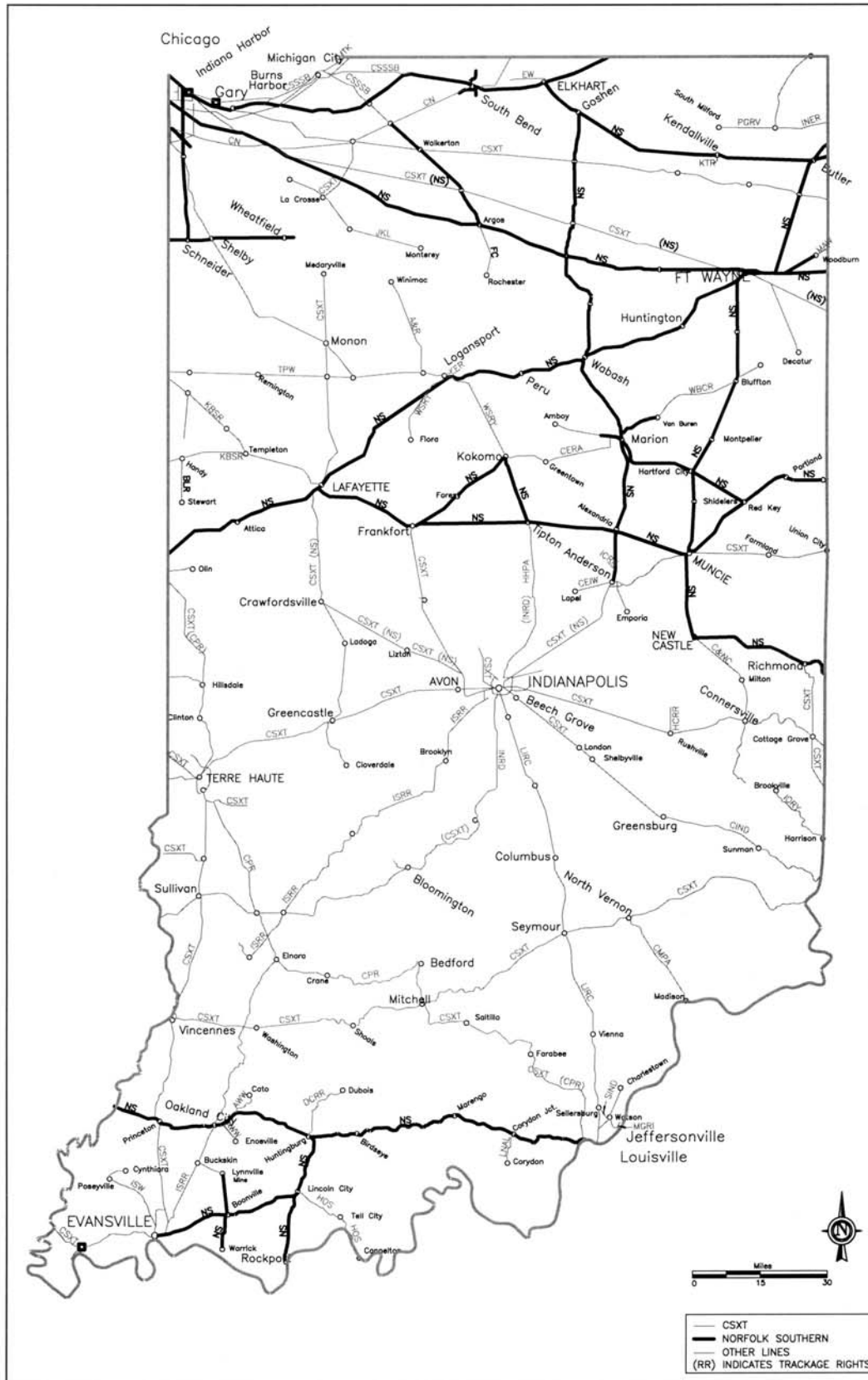
The Soo Line/Canadian Pacific Railway (CP) system operates 14,358 route miles in the United States and Canada, of which 3,261 route miles are Soo Line operations in the United States. Within Indiana, CP owns about 94 miles between Fayette and Bedford, utilizing trackage rights on CSXT in Indiana primarily to reach Chicago and Louisville. The railroad has approximately 100 employees working in Indiana. CP has a 49 percent ownership of the Indiana Harbor Belt Railroad. That 49 percent was formerly the equity portion of IHB owned by the Milwaukee Road and assumed by the Soo Line/CP in its 1985 acquisition of the Milwaukee Road. The Milwaukee Road had been in reorganization since 1977.

CP operations in Indiana are conducted by its Latta Subdivision, based at Spring Hill, IN. CP is the largest rail originator of coal in Indiana, with 52 percent of rail coal originations in 1999. For all rail tonnage in Indiana, CP had an originating market share of 17 percent and a terminating market share of 10 percent.

CP's systemwide traffic base is 22 percent domestic U.S. and 31 percent trans-border tonnage. Thus a significant percent of domestic U.S. tonnage is Indiana coal. However, this thermal coal is very short haul, from mine to utility, and yields relatively low revenue.

While Soo Line/CP has trackage rights to Louisville, KY, utilizing CSXT and NS (Kentucky and Indiana Terminal Bridge), CP traffic density is very light since its connections at Louisville, NS and CSXT, are able to require interchange at other points, such as Chicago, to maximize their revenue shares. CP has no intermodal or non-coal bulk transfer facilities in Indiana.

Figure 2-5 Norfolk Southern in Indiana



CP is unique among North American railroads in one aspect of intermodal trailer service. CP utilizes Expressway technology in its Montreal–Toronto–Detroit corridor. Expressway is a 3,700 foot intermodal shuttle train with 60-foot platforms. The system does not require trailer lifting equipment or reinforced trailers. This service is offered in partnership with trucking companies. CP has been experiencing considerable growth for this frequent, reserved space service. The technology could potentially have application in Indiana in a market such as Louisville/Nashville and Chicago. The CP route in Indiana, however, would require some infrastructure upgrading in order to be competitive.

Canadian National Railway

C. N. Headquarters Building
Montreal, QC H3C 3N4, Canada
(514) 399-5430

Canadian National is the larger of the two primary rail carriers in Canada. CN operates 18,382 route miles in North America, including the U.S. routes of the former Illinois Central, Wisconsin Central, and Grand Trunk Western. Grand Trunk Western is that unit of CN between Chicago and Detroit/Port Huron, MI, serving Indiana. While this line segment has approximately 32 trains per day on the 81-mile segment in northwest Indiana, virtually none of this traffic has a rail origin or termination in Indiana. This double track line is one of the highest density rail corridors in Indiana, providing a fast intermodal corridor between the Canadian ports of Halifax and Montreal, and the U.S. Midwest. Additionally, CP and CN have entered into an extensive Co-production Agreement throughout Canada and the U.S., including CN's Toronto/Chicago corridor, on which CP will route a limited number of merchandise and intermodal trains. CSXT Monon Subdivision trains, including Amtrak trains 50/850 and 51/851 (*Cardinal/Kentucky Cardinal*), utilize trackage rights on CN between Munster, IN interlocking and Thornton, Junction, IL. CN trains through Indiana are operated by its Midwest Division, headquartered in Chicago.

2.2.2 Class II Railroads

Elgin, Joliet & Eastern Railway Company

135 Jamison Lane
Monroeville, PA 15146
(412) 829-6746

The Elgin, Joliet, & Eastern Railway (EJ&E) operates approximately 166 route miles, about 20 percent of which is located in Indiana, including service to East Chicago, Hammond, Gary, Indiana Harbor, and Whiting. The EJ&E main line enters Indiana at Dyer. The EJ&E is a wholly owned subsidiary of U.S. Steel Corporation, which became a stand-alone company on January 1, 2002. U.S. Steel's Gary Works and East Chicago Tin Mill are major customers of the "J."

EJ&E interchanges in Indiana include CSXT at Curtis and East Chicago; SouthShore at Goff; Canadian National at Griffith; Indiana Harbor Belt at Hammond and Indiana Harbor; and Norfolk Southern at Pine and Van Loon. EJ&E is also known as "Chicago's Outer Belt," although it handles virtually no overhead or "bridge" traffic (which neither originates nor terminates on the "J"). The Belt Railway of Chicago and the Indiana Harbor Belt Railroad dominate this function, with classification yards and other facilities intended for this purpose.

In the year 2000, EJ&E handled 142,919 carloads, with the principal commodities being steel and coal. EJ&E does have a diverse manufacturing-oriented traffic base including petroleum, chemicals, plastics, cement, and packaging materials. U.S. Steel Corporation's Gary Works, served by EJ&E, is the largest of U.S. Steel's facilities, with four blast furnaces. The EJ&E does not operate any intermodal container service.

The EJ&E does not operate any running tracks in the FRA "excepted" track category. The line between Dyer and the lakefront is predominantly a 45 mph railroad (effectively FRA Class 3 track), with speed restrictions in the vicinity of the yard at Griffith. The lakefront route in Indiana is a 40 mph

line at Hammond, Whiting, Indiana Harbor, and Buffington, where the Northern Indiana Public Service Company's Dean Mitchell plant is located. The remaining running tracks are primarily FRA Class 1 (10 mph).

EJ&E's operations office is headquartered in Gary, at One North Buchanan Street.

Indiana Harbor Belt Railroad Company

2721 – 161st Street
Hammond, IN 46323
(219) 989-4724

The Indiana Harbor Belt Railroad Company (IHB) operates 54 miles of main track, of which 24 miles is double main track. Within Indiana are 26.5 route miles serving East Chicago, Hammond, Indiana Harbor, and Whiting, with trackage rights to Burns Harbor and Portage. The IHB is 51 percent jointly owned by CSXT and NS, formerly owned by Conrail, with the remaining 49 percent controlled by the Canadian Pacific Railway.

IHB interchanges with 16 trunk, regional, and local rail carriers in its service area of Illinois and Indiana. Bridge traffic accounts for nearly two-thirds of the annual traffic base of 450,000 carloads. For traffic, both bridge and on-line, the IHB's Blue Island Yard, a 44 classification track retarder hump yard, is the IHB's principal handling facility, although many trains operate as run-throughs on the IHB, such as between NS at Elkhart and UP at Proviso. Other major yards are Gibson Yard in Hammond, IN, which is currently dedicated to multi-level automobile traffic, and Michigan Avenue Yard in East Chicago, which provides support to the steel industry.

The IHB on-line traffic base is 35 percent primary metals, 16 percent coal and coke, and 10 percent food products, as well as scrap iron, grains, lumber, aggregates, and other commodities. Lake/barge transfer facilities are located in Portage, IN, with other bulk commodities transloading at East Chicago and Hammond.

IHB within Indiana currently operates 8.5 miles of FRA "excepted" running; 5.7 miles of FRA Class 1 track; and 12.4 miles of main track that are FRA Class 3 or higher.

2.2.3 Class III Railroads

The following Class III railroads are listed in order of volume of carloads handled, from highest to lowest.

The Indiana Rail Road Company

101 West Ohio Street, Suite 1600
Indianapolis, IN 46204
(317) 262-5140

The Indiana Rail Road Company (INRD) operates 155 route miles linking Indianapolis, Morgantown, Bloomington, Linton, Sullivan, and Newton, IL. In the year 2000, INRD handled 68,416 carloads of primarily coal and petroleum products, with approximately a 2 percent market share for Indiana rail traffic originated or terminated. INRD's market share for coal is about 7 percent for originations and terminations. Bridge traffic on the line is nearly non-existent. The INRD is maintained to the FRA Class 2 standard, which permits a maximum authorized speed of 25 mph for freight service.

INRD interchanges traffic with CSXT at Indianapolis, Bloomington, and Sullivan; with CN at Newton, IL; with Canadian Pacific at Linton; NS at Indianapolis, and Indiana Southern at Switz City. INRD does not operate intermodal container/trailer service.

The INRD has 80 employees.

Chicago SouthShore & South Bend Railroad Company

505 North Carroll Avenue
Michigan City, IN 46360
(219) 874-9000

The Chicago SouthShore & South Bend RR (CSS) provides freight service on 51.6 route miles in Lake, Porter, La Porte, and St. Joseph counties, serving Gary, Portage, Burns Harbor, New Carlisle, and South Bend via the NICTD line. CSS is a unit of Anacostia & Pacific Company, Inc., a rail holding company. In the year 2000, CSS handled a total of 58,597 carloads, primarily coal, steel, and steel products, with a 9 percent market share for coal terminated in Indiana. CSS did not handle any bridge traffic.

Interchange connections in Indiana include CSXT at Miller, EJ&E at Goff, CN and NS at South Bend, and CN at Stillwell (via a recently acquired line from Michigan City). CSS does not operate intermodal container/trailer service.

The mainline track structure of NICTD meets or exceeds FRA Class 4 standards, which permit freight train operation at up to 60 mph with automatic block signal system (ABS).

CSS has approximately 60 employees.

Indiana Southern Railroad, Inc.

P. O. Box 158
Petersburg, IN 47567
(812) 354-8080

The Indiana Southern Railroad (ISRR), a RailAmerica, Inc. property, operates a 170-mile rail line between Indianapolis and Evansville via Switz City, Petersburg, and Oakland City. ISRR interchanges with CSXT at Indianapolis and Evansville; with NS at Indianapolis and Oakland City Junction; with The Indiana Rail Road at Switz City; with Canadian Pacific Railway at Bee Hunter; and with the Algiers, Winslow & Western Railway at Oakland City Jct. About 81 percent of the mainline meets or exceeds FRA Class 2 standards, with the balance at FRA Class 1 standard.

In the year 2000, ISRR handled 44,948 carloads of primarily coal, farm products, and chemicals. Bridge traffic is quite significant, accounting for 23 percent of carloads handled. Late in the year 2001, ISRR commenced coal movements under a new transportation agreement with Black Beauty Coal Company that will divert at least 8,000 carloads per year from truck to rail for a period of at least five years.

ISRR employs 27 individuals.

Algiers, Winslow & Western Railway Company

P. O. Box 188
Oakland City, IN 47660
(812) 749-4053

Algiers, Winslow & Western Railway (AWW) operates 16 route miles in Pike County. The line is equally owned by the Norfolk Southern Corporation and Kindill Mining Company. All trackage either meets or exceeds FRA Class 2 track standards.

In the year 2001, AWW handled 21,260 carloads, primarily coal. At Oakland City Junction, AWW interchanges with NS, Indiana Southern RR, and CSXT via trackage rights for coal movements on NS Kentucky Division between Princeton, IN (CSXT Chicago Service Lane, CE&D Subdivision) and Oakland City Junction, 14 miles.

AWW has nine employees assigned to the property, with certain overhead functions performed by NS.

Louisville & Indiana Railroad Company

500 Willinger Lane
Jeffersonville, IN 47130
(812) 288-0940

The Louisville & Indiana Railroad (LIRC) operates 106 owned route miles between Indianapolis and Louisville, KY. LIRC is a unit of Anacostia & Pacific Company, Inc., which also owns the Chicago SouthShore & South Bend. In the year 2000, LIRC handled 23,000 carloads on this route, 95 percent of which meets or exceeds FRA Class 2 track standards. The principal commodities handled include chemicals, grain, steel, lumber, auto parts, paper, and cement. Major shippers include Ford Motor Company, Colgate-Palmolive, Kokomo Grain, Consolidated Grain & Barge, and Stone Container Corporation.

LIRC interchanges with CSXT at Indianapolis (Avon Yard), Jeffersonville, Seymour, and Louisville, KY; with The Indiana Rail Road and the Indiana Southern Railroad at Indianapolis; MG Rail (a Division of Consolidated Grain & Barge Co.) at Clark Maritime Center, and with the Canadian Pacific, NS, and Paducah & Louisville at Louisville, KY.

Bulk transload facilities are located at Jeffersonville, as well as port facilities at the Clark Maritime Centre and Jeffersonville.

Amtrak's daily Chicago–Louisville *Kentucky Cardinal* utilizes the LIRC between Indianapolis and Jeffersonville. In October 2000, the U.S. Department of Transportation designated the LIRC alignment as a high-speed rail corridor. Between Indianapolis and Edinburg, IN, the LIRC is designated by the Department of Defense as an element of the Strategic Rail Corridor Network (STRACNET).

LIRC employs 42 individuals.

Toledo, Peoria & Western Railway Corporation

1990 East Washington Street
East Peoria, IL 61611
(309) 698-2600

The Toledo, Peoria & Western (TPW) operates 61.3 route miles in Indiana. The TPW is a unit of RailAmerica, Inc., as is the Central Railroad of Indianapolis (CERA), with which it connects at Logansport and Kokomo via trackage rights. In the year 2000, TPW originated or terminated in Indiana 8,711 carloads and intermodal units. Intermodal units at Hoosier Lift, in Remington, totaled 5,715. TPW traffic in Indiana totaled about 13 percent of all TPW carloads. Traffic in Indiana, besides intermodal containers and trailers, consisted primarily of grain, aggregates, and fertilizers.

Operations in Indiana are based at Remington. Intermodal volumes at Hoosier Lift are not sufficient to justify a dedicated intermodal train. From Remington some intermodal traffic consisting of auto parts is drayed to Subaru-Isuzu at Lafayette.

TPW interchanges with CSXT's Monon Subdivision at Reynolds and with NS at Logansport and Marion via trackage rights. Other interchanges in Indiana are with the Logansport and Eel River, Winamac Southern Railway and the A&R Line.

TPW has 80 employees, four of whom are based in Indiana, reflecting the relatively light density of traffic on the east end of the line.

MG Rail, Incorporated

5130 Port Road
Jeffersonville, IN 47130
(812) 283-9500

MG Rail (MGRI) is a switching railroad operated by Consolidated Grain & Barge Company, at Jeffersonville, on track owned by the Clark Maritime Center of the Indiana Port Commission. MGRI operates on 8.5 miles of track that meet or exceed FRA Class 1 track standards. In the year 2000, MGRI handled 9,300 carloads, primarily grain, steel, fertilizer, and plastics. MGRI interchanges with CSXT Louisville Terminal Subdivision and the Louisville & Indiana Railroad.

Central Railroad Company of Indianapolis

497 Circle Freeway Drive, Suite 230
Cincinnati, OH 45246
(765) 454-7903

The Central Railroad of Indianapolis (CERA), a unit of RailAmerica, Inc., operates 45 route miles in Miami, Grant, and Howard counties, including Kokomo. In the year 2000, the CERA handled 7,901 carloads of primarily farm products, non-metallic minerals, and chemicals. About 95 percent of the line meets or exceeds FRA Class 2 track standards, with the remaining being FRA "excepted" track.

CERA interchanges with NS at Kokomo and Marion (via trackage rights), as well as the Winimac Southern Railway at Kokomo.

CERA has seven employees.

Kankakee, Beaverville, and Southern Railroad Company

P. O. Box 136
Beaverville, IL 60912
(815) 486-7260

The Kankakee, Beaverville, and Southern Railroad (KBSR) operates 75 route miles in Indiana, westward from Lafayette to Templeton, IN, with diverging line segments through northern and southern Benton County to Sheldon, IL and Cheneyville, IL. Total route miles for KBSR is 154, including lines in Illinois, reaching Kankakee and the Danville area. Over 75 percent of the Indiana route meets or exceeds FRA Class 2 track standards. The balance is FRA Class 1. In the year 2000, KBSR handled 7,147 carloads, primarily corn, fertilizer and bird seed. About 85 percent of traffic originates on the KBSR. No trailer/container intermodal service is operated by the KBSR.

Interchanges within Indiana are at Lafayette with NS (Illinois Division) and CSXT (Monon Subdivision), as well as at Handy, IN, with the BeeLine Railroad for which KBSR is the contracted operator of this former Conrail property. Interchange carriers within Illinois include the TPW, Union Pacific, Canadian National, NS, and CSXT.

KBSR has 14 employees.

Louisville, New Albany, and Corydon Railroad Company

210 West Walnut Street
P. O. Box 10
Corydon, IN 47112
(812) 738-3171

The Louisville, New Albany, and Corydon Railroad (LNAL) operates 7.7 route miles in Harrison County, IN, all track being in the FRA Class 1 category. In the year 2000, LNAL handled 3,395 carloads, primarily consisting of automotive parts, silica, plastics, logs, chemicals, popping corn, and fertilizers. The LNAL interchanges exclusively with NS at Corydon Junction, IN.

LNAL also operates an historic excursion train from Corydon, the original state capital of Indiana.

LNAL has seven employees.

Maumee & Western Railroad Company

817 5th Street
Defiance, OH 43512
(419) 784-0889

The Maumee & Western Railroad (MAW) operates 51 route miles between Woodburn, IN, and Liberty Center, OH via Defiance, OH. MAW operates 3.1 miles within Indiana, all of which is FRA Class 1 track. In the year 2000, MAW handled a total of 3,300 carloads, including traffic at stations in Ohio. Principal commodities handled included grain, plastics, and minerals. Within Indiana, Allen County Cooperative is at Woodburn.

MAW interchanges with NS at Woodburn and CSXT at Defiance, OH.

MAW has five employees.

Indiana Northeastern Railroad Company

P.O. Box 262
50 Monroe Street
Hillsdale, MI 49242
(517) 439-4677

Indiana Northeastern Railroad (INER) operates 43 route miles in Indiana in LaGrange and Steuben counties, including South Milford (via PGRV), Steubenville, and Angola. About one-fourth of the route miles are in the FRA “excepted” category, with the balance being FRA Class 1. In the year 2000, Indiana Northeastern handled 3,116 carloads, primarily grain, steel rods, flour, and dextrose. Traffic in Indiana includes 50-car unit grain trains originated in South Milford on the PGRV and LaClede Steel at Fremont.

INER interchanges with NS’s Detroit District at Montpelier, OH.

INER has 8 employees.

Southern Indiana Railway, Inc.

P.O. Box 132
Sellersburg, IN 47172
(812) 246-2138

Southern Indiana Railway (SIND) operates 5.5 route miles in Clark County, between Watson, Sellersburg, and Speed. In the year 2000, SIND handled 3,107 carloads. The line meets or exceeds FRA Class 2 track standards.

SIND interchanges with CSXT, its only direct interchange, at Watson on CSXT Louisville Terminal Subdivision. SIND has five employees.

C & NC Railroad Corporation

4301 North Western Avenue
Connersville, IN 47331
(765) 825-0349

C&NC Railroad (CNUR) operates 27.3 route miles between Connersville and New Castle, in Fayette and Henry counties. In the year 2000, CNUR handled 2,400 carloads, primarily auto parts and fertilizer. The line is classified as FRA Class 1 track.

CNUR interchanges with CSXT Louisville Service Lane at Connersville and CSXT Indianapolis Service Lane at New Castle via trackage rights on NS Lake Division. CNUR also interchanges with NS at New Castle. CNUR has six employees.

Hoosier Southern Railroad

P.O. Box 423
Tell City, IN 47586
(812) 547-3586

Hoosier Southern Railroad (HOS), an entity of the Perry County Port Authority, operates 22 route miles between Lincoln City and Cannelton, in Spencer and Perry counties, including the Tell City Port on the Ohio River. Industries include Waupaca Foundry (auto castings), American Colloid (specialty minerals), Kimball International (lumber), and Consolidated Recycling. In the year 2000, HOS handled 2,367 carloads, primarily pig iron, sand, and clay. About 83 percent of the line is FRA Class 1 track, the balance is FRA "excepted" track. The line to Tell City returned to service in 1995, after four years in out-of-service status. The line between Tell City and Cannelton remains out-of-service.

HOS interchanges with NS Evansville Branch of the Illinois Division at Lincoln City. The HOS has seven employees.

Wabash Central Railroad Corporation

804 Bond Street
Bluffton, IN 46714
(219) 824-8818

The Wabash Central Railroad (WBCR) operates 26.4 route miles between Craigville, Bluffton, and Van Buren, in Wells, Huntington, and Grant counties. The line has 14 miles of FRA Class 1 track; the balance is FRA "excepted" track. In the year 2000, WBCR handled 2,078 carloads, primarily grain, food products, and plastics. The principal shipper is Weaver Popcorn in Van Buren. Most traffic is located west of Bluffton, where traffic is interchanged with NS New Castle District of the Lake Division. WBCR has three employees.

Central Indiana & Western Railroad Company

P. O. Box 456
Lapel, IN 46051
(765) 534-3398

Central Indiana and Western Railroad Company (CEIW) operates 9 route miles in Madison County, between Lapel and CSXT's South Anderson Yard, an interchange point with the Indianapolis Line. Seven miles of the line is FRA Class 1; the balance is FRA "excepted" track. In the year 2000, CEIW handled 1,961 carloads of silica sand, soda ash, and grain. Most traffic moves over the entire nine miles of CEIW. There are glass making facilities and grain elevators, which are the major shippers, centered in Lapel at the west end of the line. CEIW has two employees.

Central Railroad Company of Indiana

497 Circle Freeway Drive
Cincinnati, OH 45246
(513) 353-3614

The Central Railroad Company of Indiana (CIND), a unit of RailAmerica, Inc., owns 60.5 route miles of rail in Indiana between Shelbyville and Valley Junction, OH. CIND reaches Cincinnati, OH, via a combination of line ownership and trackage rights. At Cincinnati, CIND interchanges with CSXT, NS, CN, and the Indiana & Ohio Railway (IORY). CIND has trackage rights between Shelbyville and Indianapolis for interchange with CSXT.

CIND, a former segment of the Big Four Route of New York Central System between Chicago and Cincinnati, is capable of handling cars of 286,000 lbs. GWR, with no trackage in the FRA "excepted track" category. The principal commodities handled include farm products, chemicals, and non-metallic minerals.

Indian Creek Railroad Company

7878 West 600 North
Frankton, IN 46044
(765) 754-7541

Indian Creek Railroad (ICRK) operates 4.5 route miles in Madison County, between Frankton and Anderson, the interchange point with the NS Marion Branch of the Dearborn Division. The line in its entirety is FRA “excepted” track. In the year 2000, ICRK handled 1,715 carloads of corn, soybeans and wheat. Train operations take place primarily during fall and early winter.

Winamac Southern Railway Company

P. O. Box 55
Kokomo, IN 46903
(765) 457-7536

Winamac Southern Railway (WSRY) operates 46 route miles in two line segments, between Kokomo and Logansport, and between Clymers and Bringham, in Howard, Cass, and Carroll counties. These former Conrail line segments are connected by trackage rights on the NS Lafayette District. In the year 2000, WSRY handled 1,499 carloads, primarily grain, scrap, and fertilizer. The majority of traffic is currently concentrated in the Logansport area. At Logansport, WSRY interchanges with NS and TPW. In the year 2000, about twenty percent of WSRY traffic was overhead between CERA and TPW, which are RailAmerica properties.

Nearly all route miles presently equal or exceed FRA Class 1 track standards. WSRY operations are performed under contract with RailAmerica, Inc.

A&R Line, Incorporated

123 Depot Street
Wawaka, IN 46794
(219) 761-3311

A&R Line (ARE) operates 26.1 route miles between Winamac and Kenneth, in Pulaski and Cass counties. In the year 2000, ARE handled 1,292 carloads, primarily grain, grain products, fertilizers, and railroad equipment. The line is owned by Cargill, Inc., with operations performed under contract with its interchange carrier, TPW, at Logansport. Traylor Chemical, at Royal Center, is also a customer. Nearly all route miles currently equal or exceed FRA Class 2 track standards.

Fulton County Railroad Company

P. O. Box 545
Rochester, IN 46975
(219) 223-3175

Fulton County Railroad (FC) operates 12 route miles between Rochester and Argos, the interchange with NS Chicago District of the Lake Division. Ten miles is FRA Class 1 track, the balance is FRA “excepted” track. In the year 2000, FC handled 1,100 carloads of corn, soybeans, fertilizer, and cornmeal.

Indiana Southwestern Railway Company

1318 South Johanson Road
Peoria, IL 61607
(309) 697-1400

Indiana Southwestern Railway (ISW) operates 23 route miles in Vanderburgh and Posey counties. The line in its entirety is FRA “excepted” track. In the year 2000, ISW handled 1,000 carloads, primarily corn, beans, plastic, and equipment. ISW interchanges with the CSXT Evansville Terminal Subdivision at Harwood, the center of ISW operations. ISW is a property of Pioneer Rail Corporation, along with the Elkhart & Western Railroad. ISW has two full-time employees and one part-time.

Pigeon River Railroad Company

P. O. Box 123
South Milford, IN 46786
(219) 351-2421

Pigeon River Railroad (PGRV) operates 9.4 route miles in LaGrange and Steuben counties, between South Milford and Ashley/Hudson, where the PGRV connects to the Indiana Northeastern Railroad. In the year 2000, PGRV originated 988 carloads of grain, including corn, soybeans, and wheat. The line is FRA “excepted” track.

Elkhart & Western Railroad Company

1318 South Johanson Road
Peoria, IL 61607
(309) 697-1400

The Elkhart & Western Railroad (EWRR), a Pioneer Railcorp property, operates 8.9 route miles between Elkhart and Mishawaka, in Elkhart and St. Joseph counties. In the year 2000, EWRR handled 700 carloads, primarily cement, lumber, and plywood. Shippers include Lonestar Cement, Huttig Building Products, and Midwest Distribution, Inc. EWRR interchanges with the NS Kalamazoo branch in Elkhart. Through a haulage agreement to Fort Wayne with NS, EWRR connects with CSXT and can quote through rates with CSXT. The line is FRA “excepted” track. The EWRR has two employees.

Madison Railroad

P. O. Box 1102
Madison, IN 47250
(812) 273-4248

The Madison Railroad (CMPA), a division of the City of Madison Port Authority, operates 25.8 route miles in Jennings and Jefferson counties. In the year 2000, CMPA handled 680 carloads, primarily polyethylene, scrap steel, steel coils, and bottom ash. As part of its plan to increase rail traffic on its line, Madison Railroad purchased 17 miles of industrial and storage tracks inside the former military installation at the Jefferson Proving Grounds in 1998. The line is FRA Class I and II, except for one mile of track which is currently out of service. CMPA’s interchanges with CSXT at North Vernon, on the Louisville Service Lane, Indiana Subdivision.

CMPA has five employees.

Indiana & Ohio Railroad Company

497 Circle Freeway Drive, Suite 230
Cincinnati, OH 45246
(513) 860-1000

Indiana & Ohio Railroad (IORY), a RailAmerica, Inc. property, operates 20 route miles between Valley Junction, OH, and Brookville, IN, in primarily Franklin County, Indiana. At Valley Junction, OH, IORY connects with CIND, also a RailAmerica, Inc. property. Interchange is made with NS and CSXT in Cincinnati, 17 miles east of Valley Junction. The IORY is completely FRA Class 1 track.

In the year 2000, IORY handled 678 carloads.

Kendallville Terminal Railway Company

1318 South Johanson Road
Peoria, IL 61607
(309) 697-1400

Kendallville Terminal Railway (KTR), a unit of Pioneer Railcorp, operates 1.1 route miles in Kendallville in Noble County. The line is FRA “excepted” track acquired from Conrail in 1996. KTR’s largest customer is Kraft Foods, Inc., interchanging with NS Dearborn Division’s Chicago Line at Kendallville. In the year 2001, KTR handled 625 carloads. KTR has two employees.

Honey Creek Railroad, Incorporated

P. O. Box 646
Morristown, IN 46161
(765) 763-1215

The Honey Creek Railroad (HCRR) operates 6.5 route miles between Rushville and Sexton. The line is FRA Class 2 track which was acquired from Conrail in 1993. In the year 2000, HCRR handled 604 carloads, primarily shell corn and soybeans. Interchange is with CSXT at Rushville.

Until recently, HCRR also operated a 4-mile line in Henry County between New Castle and Sulphur Springs. HCRR is in the process of abandoning this line segment.

Dubois County Railroad Company

1 Monon Street
French Lick, IN 47432
(812) 936-2626

Dubois County Railroad (DCRR) operates 16 route miles in Dubois County, linking Dubois, Jasper and Huntingburg, which is the DCRR interchange with the NS Kentucky Division’s St. Louis District. The line is FRA Class 1 track. In the year 2000, DCRR handled 552 carloads, primarily soybean meal, lumber, and oil. The DCRR, which has seven employees, is owned by the Indiana Railroad Museum at French Lick.

J. K. Line, Incorporated

P.O. Box 5724
Minneapolis, MN 55440
(952) 742-4542

J. K. Line is owned by Cargill, Inc. and operated under contract by the Toledo, Peoria & Western, a RailAmerica, Inc. property. J.K. Line consists of 16 route miles between North Judson and Monterey, primarily in Starke County. The line meets or exceeds FRA Class 2 track standards.

The J.K. Line interchanges with CSXT Chicago Service Lane, Wabash Subdivision at North Judson. In the year 2000, J. K. Line handled 458 carloads, primarily grain and grain products.

BeeLine Railroad, Incorporated

8217W, 300 North Street
Williamsport, IN 47993
(765) 986-2254

BeeLine operates 10.8 route miles between Handy and Stewart, in Benton and Warren counties. The line is owned by an online grain shipper and operated by Kankakee, Beaverville & Southern Railroad with which the BeeLine interchanges at Handy. In the year 2000, BeeLine handled 345 carloads of corn and fertilizer. The line is FRA Class 1 track, except for 1.2 miles of “excepted” track.

Hoosier Heritage Port Authority

33 North 9th Street, Suite 215
Noblesville, IN 46060
(317) 776-8268

The Hoosier Heritage Port Authority (HHPA) owns 41 route miles between Tipton and Indianapolis – Jefferson Street that is operated by the Indiana Transportation Museum as a common carrier. HHPA has 31 route miles that meet or exceed FRA Class 1 track standards. The balance of track is in the FRA “excepted” category.

In the year 2000, HHPA handled about 250 carloads, primarily coal. HHPA interchanges with CSXT and the Indiana Rail Road in Indianapolis. Freight service on this line is operated, under contract, by the Indiana Rail Road, with the Transportation Museum operating excursion trains, including the annual State Fair train.

Port Authority of Auburn, Indiana

P. O. Box 506
Auburn, IN 46706
(219) 925-6450

The Port Authority of Auburn (PAAI) owns 2.4 miles at Auburn, IN. CSXT, the interchange carrier, provides service on the line, which meets or exceeds FRA Class 1 track standards. In the year 2000, PAAI handled 37 carloads.

Logansport & Eel River Short Line, Incorporated

P. O. Box 1005
Logansport, IN 46947
(219) 739-0314

The Logansport & Eel River (LER) operates 1.1 route miles northeast from Peoria Junction in Logansport. LER interchanges with TPW and NS (via the Winamac Southern). No traffic was handled in the year 2000. In previous years the principal commodity handled was lumber.

2.3 Heavy Axle Loads

A long-term trend by shippers and rail carriers toward increasing the productivity of railroad freight cars has resulted in the majority of rail tonnage moving in carloads ranging between 100 and 110 net tons per car. This is particularly the case for coal and grain, which together accounted for 52 percent of all rail tonnage in the U.S. in the year 2000. A rail car loaded with the 110 tons of either coal or grain, for example, has a gross weight on rail (GWR) of approximately 286,000 lbs. and is considered a heavy axle load. This GWR is becoming virtually an operating necessity for nearly all of the general railroad network, including branch lines and short line railroads.

Particularly anomalous in Indiana is the Canadian Pacific Railway’s Latta Subdivision, which originates more than one-half of Indiana-mined coal that is moved by rail. The Latta Subdivision cannot accommodate 286,000 lbs. GWR. Three major steel structures require replacement, as well as several smaller structures to accommodate the heavier loads. The estimated replacement cost is \$13 million.

This update of the Indiana State Rail Plan includes a survey of the capacity and plans of Indiana short lines to accommodate 286,000 lbs. GWR. The Indiana DOT’s Multi-Modal Division and its Rail Section has been making steady progress in improving the infrastructure condition of short lines, including bridge strengthening and track upgrading that will permit operation of heavy axle loads as a matter of normal course. Some short lines are already capable of handling 286,000 lbs. GWR. Other short lines have estimated the capital program necessary to be capable, while still others have not completed their capital program estimates.

Twelve short lines with route miles totaling about 320 miles are capable of handling cars of 286,000 lbs. GWR. About six percent of these route miles are classified by Federal Railroad Administration track standards as “excepted” track. This means that train operation above ten miles per hour is prohibited, along with other restrictions, including the movement of hazardous materials.

In the category of short lines requiring upgrading to handle 286,000 lbs. GWR, 23 short lines operating about 885 route miles require varying levels of capital program work at certain locations. These railroads have about 86 miles categorized by the FRA as “excepted,” accounting for about nine percent of the routes operated by these short lines.

2.3.1 Methodology for Determining 286,000 lbs. GWR Upgrade Costs for Short Lines

Fourteen short line railroads have indicated the need for 286,000 lbs. GWR capability, but have not estimated track and structures upgrading costs. In order to evaluate the statewide short line needs, an estimating methodology was developed and applied to those short lines having no upgrade cost estimates.

It is important to note that the methodology used herein is very generalized and is intended to present to INDOT a basis for a comparison of up-grade costs among Indiana short line railroads. The methodology uses consistently applied criteria to develop order-of-magnitude costs. It is also important to note that no site visits to the properties were made. Therefore, significant deviations from the assumptions used in the condition assessments are possible. Decisions regarding the actual expenditure or prioritizing of funds should be made in light of further verification of the initial assumptions.

2.3.1.1 Condition Assessment

Interviews were conducted with officials of all short line railroads to determine whether or not they were 286,000 lbs. GWR capable. For those railroad properties that the officials deemed not capable of 286,000 lbs. GWR, information regarding track and bridge conditions was requested. These data were then evaluated using a decision matrix that is described below.

2.3.1.2 Decision Matrix

The State of Indiana acquired the American Short Line and Regional Railroad Association HALImpact model (Zeta-Tech Associates, Inc. Version 1.0.0, April 2001)

The HALImpact model contains decision matrices addressing rail, tie, and ballast. These decision matrices take into consideration annual traffic tonnage, operating speed, and track characteristics (rail size, number of good ties per 39 foot rail, and ballast depth). The default values presented in the decision matrices were used to determine whether or not a particular track item was OK, marginal (needs rehabilitation for the long-term), or should be replaced to reach 286,000 lbs. capability. See Table 2-9.

2.3.1.3 Unit Cost Data

Unit costs for the replacement and rehabilitation of items are presented below. These costs were derived from many sources, including bid prices from recent similar projects, the consultant's cost library, and actual costs provided by short line railroads.

Track Structure

Rail, used, jointed, 115 lbs. or better	\$250,000 per track mile
Includes rail, other track material (OTM), installation.	
New ties, wood, installed	\$50.00 each
Ballast, 2 inches, lined and surfaced	\$15,000 per track mile

Table 2-9 Decision Matrices for Rails, Ties, and Ballast

RAILS						
Operating Speed	Rail Size (lb/yd)	Traffic Density (MGT/year)				
		< 1	1-5	5-10	> 10	
Less Than 10 mph	> 115	OK	OK	OK	OK	
	110-114	OK	OK	OK	OK	
	90-99	OK	Marginal	Marginal	Marginal	
	< 90	Marginal	Marginal	Replace	Replace	
10 to 25 mph	> 115	OK	OK	OK	OK	
	110-114	OK	OK	Marginal	Marginal	
	90-99	Marginal	Marginal	Replace	Replace	
	< 90	Replace	Replace	Replace	Replace	

TIES						
Operating Speed	Good Ties/Rail	Traffic Density (MGT/year)				
		< 1	1-5	5-10	> 10	
Less Than 10 mph	20	OK	OK	OK	OK	
	15	OK	OK	OK	OK	
	10	OK	Marginal	Marginal	Replace	
	5	Replace	Replace	Replace	Replace	
10 to 25 mph	20	OK	OK	OK	OK	
	15	OK	OK	Marginal	Marginal	
	10	Marginal	Marginal	Replace	Replace	
	5	Replace	Replace	Replace	Replace	

BALLAST						
Operating Speed	Ballast Depth (under tie)		Traffic Density (MGT/year)			
	Good	Poor	< 1	1-5	5-10	> 10
Less Than 10 mph	6	8	OK	OK	OK	OK
	4	6	OK	OK	OK	OK
	2	4	OK	Marginal	Replace	Replace
	None	None	Replace	Replace	Replace	Replace
10 to 25 mph	6	8	OK	OK	OK	OK
	4	6	OK	OK	Marginal	Replace
	2	4	Marginal	Replace	Replace	Replace
	None	None	Replace	Replace	Replace	Replace

Bridges

- New pre-cast concrete trestle \$3,500 per track foot
- New steel bridge \$3,500 per track foot
- Rebuild wood bridge \$2,500 per track foot
- Assumes spot replacement of timber stringers with steel stringers, and timber caps with concrete caps.

- Rehab wood bridge \$1,000 per track foot
- Assumes the spot replacement of timber stringers with steel stringers.

- Rehab steel bridge \$1,000 per track foot
- Assumes the addition of a steel plate to the bottom of bridge beams. The plates would be welded to bottom flanges.

- Rehab concrete bridge \$1,800 per track foot
- Assumes a simple strengthening technique of using carbon fiber reinforced polymer (CFRP). The concrete is coated with a polymer, and a carbon fabric is set in the polymer and covered by another coat of polymer. This process is repeated until the desired strength is achieved.

Estimated Up-Grade Costs

Quantities used for estimating (length of track, ballast segment, bridge length, etc.) were determined through interviews with the particular railroad or by using track charts. Unit prices were then applied to the quantity of each individual item.

2.3.2 Summary of 286,000 lbs. GWR Capabilities and Capital Requirements for Indiana Short Lines.

Of the 37 short line railroads, 12 are currently capable of handling 286,000 lbs. GWR carloads. These railroads operate 321 route miles, about 26 percent of short line route miles in Indiana, and handled about 6 percent of short line carloads in the year 2000.

Three short lines operating 22 miles indicate that they do not foresee a need for 286 GWR capability.

The remaining 22 short lines have varying capital needs totaling \$99.5 million. About one-third of this amount is related to the upgrading of bridges; the remainder is related to track structure, including ballast, ties, and rail. These short lines operate 885 route miles, about 73 percent of short line mileage in Indiana, and handled about 93 percent of short line carloads in the year 2000. About one-half of these short lines are primarily grain haulers.

The total capital requirement of \$99.5 million is an order-of-magnitude estimate with no contingency estimate included.

3.0 BENEFITS OF RAIL FREIGHT SERVICE IN INDIANA

Railroads are a vital component in the nation's economy. Railroads move over 40 percent of all ton-miles of intercity freight, nearly as much as trucks, barges, and airlines combined. The nation's railroads carry:

- 70 percent of automobiles and trucks
- 64 percent of coal
- 40 percent of grain
- 20 percent of chemicals

In addition to the transportation utility provided, the nation's railroads have a direct economic impact of \$21 billion in wages and retirement benefits, and in the past five years have spent between \$5 billion and \$7 billion each year, on new equipment, roadway, and structures. The cost of providing railroad services, as measured by revenue per ton mile, has steadily decreased from a 1985 level of 3.04 cents to a 2000 level of 2.26 cents.

Railroads provide an essential component of the multimodal transportation system in Indiana. Although most of the rail network is privately owned, it creates substantial public benefits. The freight moved by railroad is of great commercial value to Indiana industries and agricultural producers. The loss or impairment of rail services would have significant impact on businesses, cities, and rural communities. Moreover, the loss or impairment of rail services would increase truck traffic in Indiana, and impact highway users and transportation agencies. With the possible exception of some petroleum and chemical products, truck transportation is the only alternative for the movement of freight on land.

Improvements in freight rail service can be expected to have important economic effects. Low cost and better service in freight movement have a positive effect on all Indiana firms engaged in the production, distribution, trade, and/or retail sale of physical goods. Reducing the per-mile cost of goods carriage means that any production facility can serve a wider market area, with potential gains from scale efficiencies. It also means a factory can draw supplies from a wider area with potential gains in terms of the cost and/or quality of parts and materials coming to the factory. The Federal